

NEVADA STATE BOARD OF ACCOUNTANCY

Minutes
May 17, 2006

An open meeting of the Nevada State Board of Accountancy was called to order at 9:00 A.M. by President Sharon McNair, on Friday, May 17, 2006 at First Republic Bank, 8310 W Sahara, Las Vegas, NV 89117.

Board Members Present:

Sharon J. McNair, President
Kathy L. Zeller, Secretary/Treasurer
Bonnie M. Houldsworth Charles A. Morrison Raja Mourey
Harry O. Parsons Patrick M. Thorne

Board Staff Present:

Todd Russell, Counsel
Viki A. Windfeldt, Executive Director
Leslie C. Walsh, Board Coordinator

◆ ◆ ◆ ◆ CONSENT AGENDA ◆ ◆ ◆ ◆

The Consent Agenda contains matters of routine acceptance. The Board Members may approve the consent agenda items as written or, at their discretion, may address individual items for discussion or change.

- *1. Approval of March 24, 2006 Board Meeting Minutes
- *2. Approval of Applications for Certified Public Accountant – Non Appearance
Thomas Baxter Ryan Blume Craig Dalebout David Dobrzynski
Frank Espina Steven Gewirtz Karuna Khilnani Stephen
Kromer
Leland Lamoreaux Steven Levey Aaron Levine Eric Lorenz
Pamela McClusky James Ridenour George Ruiz Danielle Price
Patrick Allen Michael Hockenberry
- *3. Approval of Temporary Licensing Permits – Non Appearance
Michael Genetti Curtis Houdyshell Anthony Cable Thomas Hanson
Michael Bobroff Kevin Kerley Neil Levine Kathleen Platz
Daniel Touchstone Kenneth Wills Allan Rosenthal Keith May
Kenneth Filipponi Leonard Esmond
- *4. Request for Change of CPA Status

Reinstatement to Active Status:

Jocelyn Helzer

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- *5. Approval of Finances
 - A. Review of income & expense
 - B. Bills paid since last board meeting
- *6. No Item at this time
- *7. No Item at this time

The consent agenda information and supporting documents were reviewed by the Board. Motion was made, seconded and carried to approve the minutes of the March 24, 2006 Board meeting, applications for CPA Certification, temporary licensing permits, CPA status change, and Board finances.

◆ ◆ ◆ ◆ REGULAR AGENDA ◆ ◆ ◆ ◆

Agenda Item 8: Grievance Report and Grievance Matters.

Note: NRS 241.020 requires the Board to list individuals that may have administrative action taken against them in connection with the Board's disciplinary grievance report. The Board may convene in closed session to consider the character, alleged misconduct, professional competence or physical or mental health for any of the grievances filed with the board.

Motion was made, seconded and carried to go into closed session to discuss grievance matters.

Upon resumption of the open session, motion was made, seconded and carried to close complaint matter N-05-1 and N-05-3, Jack Marcarelli, based on compliance of stipulated agreement provisions.

Motion was made, seconded and carried to close complaint matter N-05-12 based on lack of evidence to proceed.

Motion was made, seconded and carried to close complaint matter S-06-3 based on resolution between parties.

Motion was made, seconded and carried to close complaint matter N-06-1 based on resolution between parties.

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Agenda Item 8 (Cont.)

Motion was made, seconded and carried to close the following non-licensee grievance matters:

Jim Kellames	NN-06-1	Compliance
Sarah Stone	NN-06-2	Unable to Locate
A&E Industries	YP-06-1	Did not place add
A & Value-Net Accounting Svc	YP-06-2	Unable to locate
A Counting Solutions	YP-06-3	Unable to locate
Accutek Solutions	YP-06-6	Did not place add
CPA LLC	YP-06-10	Unable to locate
Contractors Accounting Solutions	YP-06-15	Use of term accounting
First Nevada Group	YP-06-18	Compliance
L Walton Accounting	YP-06-22	Did not place add
Las Vegas Tax & Financial	YP-06-23	Did not place add
Lynne Sunderman	YP-06-25	Chamber inadvertently placed add
Jackson Hewitt Tax Service		
Peter Rogney	YP-06-28	Unable to locate
Rob's Tax Service	YP-06-29	Compliance obtained in 2002.
Rolando Yap & Co.	YP-06-30	Compliance Registration received.
Sage Forensic Accounting	YP-06-31	Use of term accounting
Tax Liability Consulting	YP-06-33	Compliance
The Tax Man	YP-06-34	Did not place add
Wyckoff Accounting Service	YP-06-35	Firm is registered with Board

Agenda Item 9: PCAOB Report Summary

Note: Pursuant to NRS 241.030 the Board may convene into closed session to consider the content, character, and alleged misconduct as provided within the reports as provided by the PCAOB.

- A. Summary Report
- B. Letter sent to PCAOB from Board Legal Counsel
- C. Letter sent to PCAOB Inspected firms from Board.

The Board reviewed the summary report of the PCAOB Inspection reports received since the last Board meeting. The Board was also provided a letter that was sent to the PCAOB by legal counsel. Board directed staff to copy the PCAOB on all letters sent to firms. In addition, a letter should be sent to Beadle, McBride & Reeves commending them on their inspection report.

Agenda Item 10: Report of Counsel

No report was provided by Legal Counsel.

Agenda Item 11: Report of Executive Director

- A. Yellow Page Disclaimer Language

Executive Director discussed the issues surrounding the yellow page advertising. The yellow pages continue to list those individuals that should not be listed in certain sections without the appropriate designation. A proposal was made, to pay for a disclaimer within the "Accountants Certified Public" section of the yellow pages. The Board reviewed the proposed language and will finalize it by the next board meeting.

Agenda Item 11 (Cont.)

B. Pre-Release Review Procedure

Executive Director indicated that the Pre-Release review procedure needed revision. The Board was provided with the new Pre-Release review procedure and sample letters.

C. NASBA's Accountancy Licensee Database Discussion

Executive Director summarized NASBA's Accountancy Licensee Database (ALD). In order for the Nevada Board to participate in the ALD, computer configuration will be needed. A quote has been provided by GL Suite the software vendor utilized by the Board. The cost would be approximately \$1,680. This cost has the potential to be divided among the Arkansas and North Carolina Boards who also utilize GL Suite services. Motion was made, seconded and carried to approve the computer configuration to participate in the ALD.

D. NASBA Proposal for Board Offsite Data & System Storage

Executive Director summarized the information received from NASBA in connection with developing a Business Resumption Plan in the event of a disaster to the Board office. A part of the plan would be to house Board system data offsite. The Executive Director made the proposal to NASBA to be the facility that would house the data in some type of hard media format. NASBA provided a quote for such services at a rate of \$10 per month. Motion was made, seconded and carried to approve the offsite data and system storage by NASBA. Board staff was directed to secure the hard drive prior to mailing.

E. Written Correspondence in connection with Ethics Requirement

Executive Director provided the Board with a letter received by David Kelly, CPA and his thoughts on the new ethics requirement.

F. Late Penalty Policy Discussion

Executive Director summarized the issue with developing a late penalty policy as directed by the Board at their last meeting. NAC 628.120 provides a late penalty not to exceed \$100 in connection with the late filing of license renewals. The direction was to assess a \$300 and subsequent \$500 penalty after formal complaint has been issued. The Board has the ability to change the administrative code or to formally include the assessment of additional fees at the time the formal complaint is made. The Board discussed the issue and determined that no changes were needed to the current late fee.

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Agenda Item 12: Request waiver of the CPE penalty based on personal hardship:
A. Robert Sims

Motion was made, seconded and carried to approve the request of Robert Sims to waive the CPE penalties based on personal hardship. The motion includes waiver of the \$850 CPE penalty and an extension of time to complete the CPE by June 1, 2006. Mr. Sims will be required to pay the \$400 attorney fees.

Agenda Item 13: Board Determination of Internal Audit requirements as provided in NAC 628.062 – 628.063
A. Washoe Health Systems Internal Audit

The Board reviewed the documentation as provided by Washoe Health Systems. Motion was made, seconded and carried to deny the request of Washoe Health Systems.

Agenda Item 14: Request Board Direction and Approval in connection with the following contracts for services:

A. Contract for Legal Counsel Services as provided by the firm Allison Mackenzie et al.

The Board reviewed the contract for legal services. Motion was made, seconded and carried to approve the contract with an increase in the hourly rate to \$220 and a maximum payable of \$75,000 per year. The Board discussed Mr. Russell's succession plan in the event he prepares for retirement.

B. Contract for Audit Services provided by Kohn Colodny LLP

The Board directed staff to mail a request for proposal to selected firms in connection with a contract for audit services.

Agenda Item 15: Request Board determination of Education requirements:

A. Tiffany Ardell

The Board reviewed the documentation as provided by Grant Thornton on behalf of Ms. Ardell, requesting review of Ms. Ardell's education. Motion was made, seconded and carried to approve the request. Board members Kathy Zeller and Charles Morrison opposed the vote.

Agenda Item 16: Request Board determination of Experience requirements in connection with CPA Application for:

A. Crystal Ballentine

Motion was made, seconded and carried to deny the application for CPA Certification for Crystal Ballentine based on her not meeting the experience requirement.

B. Michael Combs

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Motion was made, seconded and carried to approve the application for CPA Certification for Michael Combs.

Agenda Item 17: Request Board determination of Firm Name use

A. Lori Marrs, CPA, Hansen Marrs Financial Group **10:00 AM**
Lori Marrs and Karen Bergquist appeared before the board to discuss the Firm name Hansen Marrs Financial Group. The Board has determined that the firm name is misleading because "Hansen" is a non-licensee owner. Ms. Marrs discussed appropriate firm names with the Board and will be changing the Firm's name to be in compliance.

B. Contractors Accounting Solutions Inc.
Motion was made, seconded and carried to deny the firm name of Contractors Accounting Solutions Inc.

C. Sage Forensic Accounting
Motion was made, seconded and carried to deny the firm name of Sage Forensic Accounting and require firm registration.

Agenda Item 18: Review of Personnel Performance and Salary Issues for Board staff:

The Board reviewed the information provided by Sharon McNair and Kathy Zeller in connection with the review process of Board staff.

Motion was made, seconded and carried to approve the following salaries for the fiscal year beginning July 1, 2006:

Viki Windfeldt, Executive Director	\$80,000
Leslie Walsh, Board Coordinator	\$48,000

Agenda Item 19: Election of Board Officers

Election of Officers for the Nevada State Board of Accountancy was held. Nominations were opened for President. Kathy Zeller was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. The record reflects Kathy Zeller as President of the Board for a one-year term effective July 1, 2006 – June 30, 2007.

Nominations were opened for Secretary/Treasurer. Charles Morrison was nominated. There being no other nominations, a motion was made, seconded and carried that the nominations be closed. The record reflects Charles Morrison as Secretary/Treasurer of the Board for a one-year term effective July 1, 2006 – June 30, 2007.

Agenda Item 20: Report of President

No items were discussed under the Report of President.

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Agenda Item 21: Public Comment 1:00 PM

No items were discussed under the Public Comment item.

Agenda Item 22: Next Board Meeting: July 21, 2006 Reno